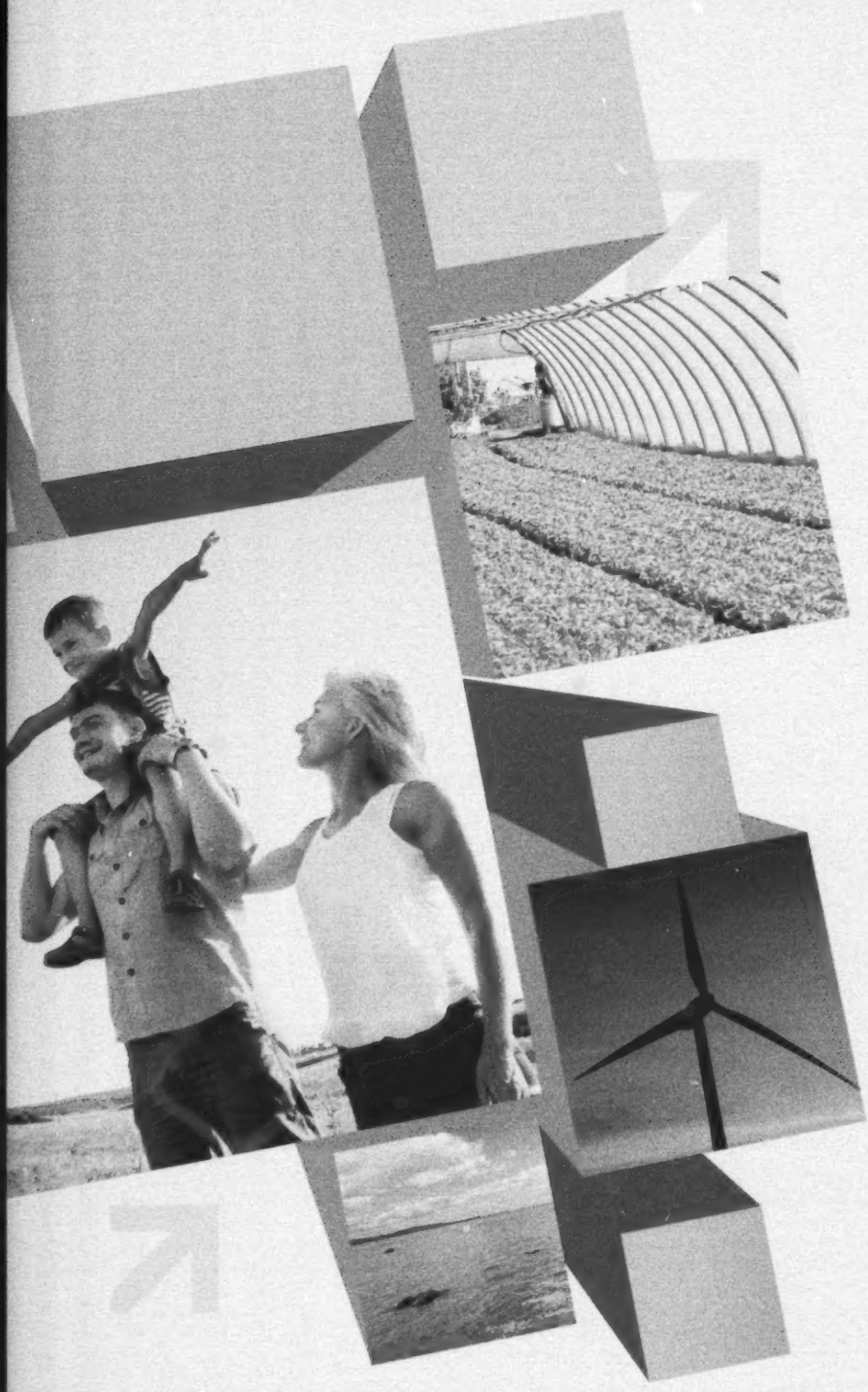
Economic Development Canada



DEPARTMENTAL SUSTAINABLE DEVELOPMENT STRATEGY

Performance Report 2012-13

Canada Economic Development for Quebec Regions
Développement économique Canada pour les régions du Québec

Canada

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1. PREAMBLE

Under the *Federal Sustainable Development Act* (FSDA), the Minister of the Environment announced in October 2010 the tabling of the Federal Sustainable Development Strategy 2010-13 (FSDS), which aims to render environmental decision-making more transparent to Canadians.

FSDS goals, targets, implementation strategies and results are organized under four priority themes:

Theme I
Addressing Climate Change and Air Quality

Theme II
Maintaining Water Quality and Availability

Theme III
Protecting Nature

Theme IV
Shrinking the Environmental Footprint—Beginning with Government

Expiring in 2013, the FSDS is currently being renewed for 2013-16. The Agency took part in the consultations carried out with a view to this renewal.

In 2011, the Agency established a departmental strategy comprising its action plan and goals for contributing to the FSDS. Thus, in line with the FSDS, the Agency makes commitments under Themes I and IV in its Departmental Sustainable Development Strategy (DSDS) 2011-13:

http://www.dec-ced.gc.ca/eng/publications/agency/dev/238/index.html

Theme I: *Addressing Climate Change and Air Quality*

→ The Agency funds projects which could, among other things, help optimize resource use, valuing residual resources, or contribute to eco-efficiency.

Theme IV: *Shrinking the Environmental Footprint—Beginning with Government*

→ The Agency participates in greening government operations (GGO).

Fulfilment of these commitments contributes to attainment of the following FSDS goals:

1.1 Climate Change Mitigation;[1] 2.1 Air Pollutants;[2] and 8.0 Greening Government Operations.[3]

[1] www.ec.gc.ca/dd-sd/default.asp?lang=EN&n=16AF9508-1#s2a
[2] www.ec.gc.ca/dd-sd/default.asp?lang=EN&n=16AF9508-1#s2b
[3] www.ec.gc.ca/dd-sd/default.asp?lang=EN&n=16AF950d-1#s5a

2. SUSTAINABLE DEVELOPMENT
Decision-making and Practices

Responsibility for management of sustainable development is shared among all Agency sectors, and is harmonized with the organization's internal processes and its activities:

2.1. Governance

At the Agency, a management committee oversaw all activities and advised the Deputy Minister on management issues, including those relating to sustainable development. The committee approved all reports conveying information on the topic, in particular the *Report on Plans and Priorities* (RPP) and the *Departmental Performance Report* (DPR). A multi-sector working group backs the Management committee on sustainable development questions, and co-ordinates associated activities. In 2012-13, this group contributed to updating the DSDS for 2013-14.

2.2. Strategy and Intervention

Within the framework of its mission to "promote the long-term economic development of the regions of Quebec,"[4] the Agency supports projects that contribute to FSDS goals. The DSDS 2011-13, which formalizes the organization's commitments, has been renewed for 2013-14.

In order to measure its intervention, the Agency records information on projects that contribute to the FSDS in its grant and contribution management system, and tracks them. In 2012-13, 122 projects, i.e., 13% of projects receiving financial assistance, were identified as contributing to the attainment of FSDS goals. Details of the intervention are presented in Section 3.

2.3. Strategic Environmental Assessments

The Agency applies the guidelines for implementing the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*.[5] Thus, following the commitment made in the DSDS, the Agency ensures that environmental considerations are systematically taken into account in the development of its policies, plans and programs. Also, it was observed once again, during an update, that departmental initiatives had a positive environmental impact on the goals and targets of FSDS Theme I: *Addressing Climate Change and Air Quality*. The Agency's public statement in that regard is available on its Website: www.dec-ced.gc.ca/eng/agency/environmental-affairs/statements.html

The Agency also ensures compliance with the *Canadian Environmental Assessment Act (2012)*. In 2012-13, no project required an environmental assessment within the context of that Act.

[4] To consult the text of the *Economic Development Agency of Canada for the Regions of Quebec Act*: http://laws-lois.justice.gc.ca/eng/acts/E-1.3/index.html

[5] www.ceaa.gc.ca/default.asp?lang=En&n=B3186435-1

2.4. Greening Procedures

The Agency invests considerable effort in reducing the negative environmental impact of its activities. It has implemented different Greening Government Operations initiatives, contributing to FSDS Theme IV. In 2012-13:

- Green meetings were adopted at the management committee level, in particular through the use of electronic tablets;
- Some 100 laptop computers were assigned, with a view to encouraging green meetings among employees, as well as electronic document management (EDM);
- Document management software, GCDOCS, is being gradually deployed, representing an additional effort with respect to EDM;
- Paper consumption was reduced by 19% compared with 2009-10;
- A greening operations strategy was drawn up, and will be deployed in 2013-14 in order to continue the progress achieved toward attaining GGO targets.

GGO-related progress is also reported yearly in the DPR (see Section 3 of this Report for further details on the Agency's results).

2.5. Communications

Internally, the Agency informs its employees of sustainable development initiatives and, through the Intranet, promotes awareness initiatives and best practices, such as the Green Calendar, the greening of the Public Service Health Care Plan, and training on green procurement. On the external communications front, the Agency posts news releases on its Website informing citizens of projects funded that contribute to sustainable development. It has also placed the first *DSDS Performance Report* (2011-12) online, along with the renewed DSDS for 2013-14. Furthermore, the bulk printing of its publications, such as the DPR and the RPP, has been eliminated and replaced by electronic versions in HTML and PDF format that can be printed as required.

3. PERFORMANCE SUMMARY OF STRATEGIES
Implemented by the Agency – FSDS Theme I

Pursuant to its mandate to "promote the long-term economic development of the regions of Quebec,"[6] the Agency undertakes to finance projects that would, among other things, help optimize resource use, valuing residual resources, and contribute to eco-efficiency.[7] To that end, the Agency seeks to foster industrial greening (e.g., eco-design, eco-efficiency, recycling, green energy sources, eco-building) in order to help enterprises meet new market requirements (e.g., eco-certification), identify viable pathways for enhancing their environmental performance, and seize emerging green sector market opportunities.

A. Agency Program Alignment Architecture (PAA) associated with the SDS

The DSDS is implemented through the Agency's regular grant and contribution (G&C) program, the *Quebec Economic Development Program* (QEDP). Through this G&C program, the Agency supports the development of businesses and regions. As illustrated in the table below, Agency intervention associated with FSDS Theme I ties in with the "Business Development" program in the Program Alignment Architecture (PAA).

Strategic Outcome	PAA program		Subprogram
Quebec's regions have a growing economy	Business Development	a	▪ Entrepreneurship Support ▪ Business Performance
	Internal Services	g	

B. Sustainable development performance summary

In the context of its contribution to FSDS Theme I for 2012-13 – *Addressing Climate Change and Air Quality*, the Agency funded 122 projects, for total assistance of $36.3 million. Of these projects, 44 were carried out by intermediary groups (IGs), while 78 involved direct assistance to enterprises.

Compared with the previous fiscal year, intervention in 2012-13 with respect to sustainable development declined. In 2011-12, 158 projects were supported through contributions totalling $43.1 million.[8] This difference is attributable to the nature of the projects submitted by promoters, and reflects local economic development needs. With a view to optimizing its intervention, the Agency nevertheless intends to invest additional effort in empowering its personnel so as to identify more effectively projects contributing to the FSDS.

[6] To consult the text of the *Economic Development Agency of Canada for the Regions of Quebec Act*: http://laws-lois.justice.gc.ca/eng/acts/E-1.3/index.html

[7] These are implementation strategies 1.1.29 and 2.1.17 of the FSDS. They contribute to the following goals:
- Reduce greenhouse gas emission levels to mitigate the severity and unavoidable impact of climate change;
- Minimize the threats to air quality so that the air Canadians breathe is clean and supports healthy ecosystems.

[8] The data presented for 2011-12 do not directly correspond to those set out in last year's Report, since the PAA has been simplified since April 1, 2012.

In addition, efforts will be made to enhance the Agency's capability to measure the results of its action in regard to IGs, since a substantial portion of its intervention with respect to sustainable development is carried out through that type of client.

Examples of intermediary group projects funded in 2012-13:

- Consulting services to entrepreneurs carrying out agroforestry development projects in Haute-Gaspésie, particularly for the development and processing of their resources (Gaspésie).[9]
- Economic diversification of a geographical area through the establishment and startup of enterprises specializing in energy efficiency (Mauricie).[10]
- Contribution to enhancement of the environmental performance of the peat moss industry (Bas-Saint-Laurent).[11]

Examples of direct assistance projects funded in 2012-13:

- Commercialization of products or innovative technology to improve air quality and green practices in enterprises:
- Integrated fuel management software suite for medium-sized and large organizations (Greater Montreal).[12]
- Charging stations for electric vehicles (Quebec City–Chaudière-Appalaches).[13]
- Car wash comprising an integrated water treatment system dedicated to ecological maintenance of motor vehicles (Estrie).[14]

The Agency's DSDS specifically targets the "Business Development" program in the PAA. Of the 78 direct assistance projects funded by the Agency in 2012-13 that contribute to attainment of the sustainable development targets,[15] 55 projects representing $10.3 million in financial contributions were supported through this program. Of that number, 37 projects, or $8.3 million, fell under the "Business Performance" subprogram, while 18 other projects, totalling $1.9 million in assistance, came under the "Entrepreneurship Support" subprogram.

Sustainable development performance of the *Business Performance* subprogram:

Projects contributing to the DSDS funded under "Business Performance" are carried out by promoters seeking, among other things, to optimize resource use, valuing residual resources, or contribute to enterprises' eco-efficiency.

[9] www.dec-ced.gc.ca/eng/media-room/news-releases/2012/03/3186.html
[10] www.dec-ced.gc.ca/eng/media-room/news-releases/2010/10/2722.html
[11] www.dec-ced.gc.ca/eng/media-room/news-releases/2011/01/2803.html
[12] www.dec-ced.gc.ca/eng/media-room/news-releases/2012/01/3120.html
[13] www.dec-ced.gc.ca/eng/media-room/news-releases/2012/02/3171.html
[14] www.dec-ced.gc.ca/eng/media-room/news-releases/2012/01/3128.html
[15] Intervention through intermediary groups is not included in the results, owing to methodological difficulties involved in recording the results obtained by these groups' clients. Consequently, the Agency's intervention with respect to sustainable development is underestimated.

Program: *Business Development*

Subprogram: *Business Performance*

Targeted result: *Businesses improve their performance in a sustainable development perspective.*

Performance Indicator	Target	Performance	Contribution to FSDS targets
Number of businesses which improve their performance in a sustainable development perspective	Maintain or increase the number of projects or contributions allocated	Decrease in the number of projects (-7) • 37 projects in 2012-13 • 44 projects in 2011-12 Decrease in contributions allocated (-$5.4M) • $8.3M in 2012-13 • $13.7M in 2011-12	1.1 Climate Change Mitigation 2.1 Air Pollutants

The Agency maintained its efforts in support of the performance of enterprises that contribute to sustainable development, despite the drop in the number of projects supported and the amount of contributions awarded. In fact, the proportion of projects contributing to the DSDS under this subprogram was the same in 2012-13 as in 2011-12, at 12% of projects.

The decline in the amount of assistance awarded in 2012-13 compared with the previous fiscal year is attributable in particular to the support, in 2011-12, for three major projects involving major expenditures ($7.5M in all), for which spending in 2012-13 was significantly lower ($487,000).

Sustainable development performance of the *Entrepreneurship Support* subprogram:

Projects contributing to the DSDS implemented under "Entrepreneurship Support" are aimed at starting up or transferring enterprises whose activities are carried out in a sustainable development perspective, particularly through optimization of resource use, valuing residual resources or eco-efficiency.

Program: *Business Development*

Subprogram: *Entrepreneurship Support*

Targeted result: *Businesses are started up or transferred in a sustainable development perspective.*

Performance Indicator	Target	Performance	Contribution to FSDS targets
Number of enterprises started up or transferred in a sustainable development perspective	Maintain or increase the number of projects or contributions allocated	Decrease in the number of projects (-12) • 18 projects in 2012-13 • 30 projects in 2011-12 Decrease in contributions allocated (-$5.2M) • $2M in 2012-13 • $7.2M in 2011-12	1.1 Climate Change Mitigation 2.1 Air Pollutants

The Agency is unable to draw firm conclusions concerning the attainment of its targets in 2012-13, since a change in methodology from the previous year affects the comparability of performance results.

Available performance information shows that the number of projects contributing to the DSDS under this subprogram fell by 12, from 30 in 2011-12 to 18 in 2012-13, while expenditures were down by $5.2 million. The main reason for these differences lies in the tightening-up of the definition of a "startup" enterprise,[16] for QEDP implementation purposes.

Sustainable development performance of the other subprograms:

In addition to its intervention in subprograms directly targeted by the DSDS 2011-12, the Agency funded 23 projects, to the tune of $7.9 million, that contribute to sustainable development goals in other subprograms in its PAA:

- Ad-hoc Targeted Support: 20 projects;
  - Temporary Initiative for the Strengthening of Quebec's Forest Economies: 14 projects;
  - Linguistic Duality Economic Development Initiative: 3 projects;
  - International Cruise Initiative: 2 projects;
  - Ad-hoc project: 1 project.
- Mobilization of Regions: 2 projects;
- Investment in the Regions: 1 project.

[16] An enterprise has started up when it has been in operation for at least one year and is generating income amounting to at least 80% of its expenditures. It often takes more than two years for an enterprise to meet the criteria of the Agency's new definition.

4. HYPERLINK TO GREENING GOVERNMENT OPERATIONS
FSDS Theme IV

Greening Government Operations initiatives contributing to FSDS Theme IV: *Shrinking the Environmental Footprint—Beginning with Government* tie in with the "Internal Services" PAA program. The Agency's DPR for the period ending March 31, 2013 includes a supplementary table concerning greening government operations (GGO). This table presents results attained with respect to five GGO goals. The DPR is available on the Agency's Website:

www.dec-ced.gc.ca/eng/publications/agency/rmr.html

5. HYPERLINK TO THE FEDERAL SUSTAINABLE DEVELOPMENT STRATEGY

The FSDS Website contains information on the sustainable development activities of Government of Canada departments and agencies, including all sustainable development-related goals, targets and strategies implemented government-wide.

www.ec.gc.ca/dd-sd/default.asp?lang=En&n=CD30F295-1